

# New Coverage That is Good for Americans with Medicare

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*After 40 years of providing dependable coverage for doctor visits, hospital stays and surgery, Medicare will now offer dependable drug coverage that can help people with Medicare stay healthy. In addition, new preventive benefits — a “Welcome to Medicare” physical exam and screenings for diabetes and heart disease — are now available. We know that 49 percent of these people with Medicare will be contacting their health professional to ask what they think about the new benefits. We value your clinical time and hope that you can simply encourage your patients to access 1-800-MEDICARE to get the local expertise to help them fill out their forms for extra help or to help them make their decision in November. If you want to know more, consider consulting [www.cms.hhs.gov/medlearn/drugcoverage.asp](http://www.cms.hhs.gov/medlearn/drugcoverage.asp) your ready resource for information about the drug coverage and for information you can use in your practice.*

*People with Medicare will need to make a decision soon about signing up for Medicare’s new prescription drug coverage — and we are launching a nationwide outreach effort to help them make an informed decision. Enrollment begins November 15, 2005. Coverage begins January 1, 2006.*

## BACKGROUND

Beginning January 1, 2006, prescription drug coverage will be available to all Americans with Medicare. Every person with Medicare — no matter how they get their health care today or whether they have existing drug coverage — will be eligible for drug coverage under a Medicare prescription drug plan. The drug plans will be available in all parts of the country, and they will cover brand name and generic drugs. Prescriptions can be obtained from neighborhood pharmacies and through mail order.

All people with Medicare will have a choice of plans, so they can get the coverage that meets their needs. A typical person who is paying for drugs on his or her own today will receive help worth about \$1,300, because the coverage will pay for part of their prescription drug costs after a deductible. They will also get peace of mind against catastrophic drug costs, because Medicare will pay about 95 percent of the cost of prescriptions after out-of-pocket expenses reach \$3,600 a year. People with Medicare will pay a monthly premium that has been expected to average about \$32 in 2006. Medicare will also help pay for high-quality retiree drug coverage provided by employers and unions. Drug coverage will also be available through Medicare Advantage plans, and other Medicare Health Plans which typically offer extra coverage with lower costs.

People with limited incomes — almost one-third of all people with Medicare — will get extra help. The extra help will pay for about 85 percent or more — in most cases 95 percent or more — of prescription drug costs. More than six million people, who already meet the test for extra help, will be automatically enrolled in a prescription drug plan. Others who may meet that test are being mailed applications, and they can qualify for the extra help by filling it out.

## TARGETED OUTREACH EFFORT

Right now, the Medicare outreach effort is focusing on making sure people with Medicare know about the drug coverage options that they will have next year, and on helping people with limited incomes and resources get extra help. In the fall, people with Medicare and their family members and caregivers will get additional information and help so that they can make a confident decision about Medicare prescription drug coverage. This includes information and help that is targeted to each person with Medicare, so that they know about the features of Medicare prescription drug coverage that apply to their own situation:

- **People with Medicare Advantage and other Medicare Health Plans:** You will get more drug coverage through your Medicare Advantage plan, with additional benefits that lower your costs. This fall, you will get more information from your plan about your coverage options.
- **People with Retiree Coverage:** Medicare can help pay for drug coverage from your former employer or union if it meets Medicare’s standards. This fall, your retiree benefit program will let you know what decisions you need to make.
- **People with Medicaid Drug Coverage:** You will automatically get comprehensive drug coverage from Medicare. This fall, you will get help in signing up for a Medicare prescription drug plan. To make sure you don’t miss a day of coverage, Medicare can enroll you in a plan on January 1 if you don’t choose a plan on your own.
- **Other People with Limited Income and Resources:** Sign up as soon as possible for extra help from Medicare that will cover 85 to 100 percent of your drug costs, depending on your income and resources. This fall, you can get help in signing up for a Medicare prescription drug plan. To make sure you get comprehensive coverage, Medicare will enroll you in a plan next year if you don’t choose a plan on your own.
- **Other People with Medicare:** You need to make a decision about Medicare prescription drug coverage to get help with your drug costs and peace of mind from coverage that never runs out. You can save if you sign up on time, by May 15, 2006. This fall, you will get specific information on the drug plans, and help will be available to choose a plan.



MedicareRx  
Prescription Drug Coverage